

## CBCS Scheme

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16MBAFM301

Third Semester MBA Degree Examination, Dec.2017/Jan.2018

### Principles & Practices of Banking

Time: 3 hrs.

Max. Marks:80

**Note: 1. Answer any Four questions from Q.No. 1 to Q.No. 7.  
2. Question No. 8 is compulsory.**

1. a. What do you mean by CTS? (02 Marks)  
b. What is "Commercial Bank"? Explain the structure of Commercial Bank. (06 Marks)  
c. Explain the role of Paying Banker and the Collecting Banker. (08 Marks)
2. a. What are the phases in the growth of Indian Banking System? (02 Marks)  
b. What do you mean by Internet Banking? Discuss the advantages of Internet Banking. (06 Marks)  
c. Explain the role of Reserve Bank of India as a regulator of banking system. (08 Marks)
3. a. What is "Exchange Rate"? (02 Marks)  
b. Explain the different types of NRI (Non – Resident Indian) accounts that can be opened. (06 Marks)  
c. Explain in detail the Role of ECGC and EXIM bank in International transactions. (08 Marks)
4. a. Define "Banking". (02 Marks)  
b. Explain the different ways of creating a charge on securities. (06 Marks)  
c. Explain the activities of ALCO (Assets and Liabilities Committee). (08 Marks)
5. a. What do you mean by ALM? (02 Marks)  
b. Explain the factors affecting the Forex Rate. (06 Marks)  
c. Discuss the various relationships that exist between the Banker and the Customer. (08 Marks)
6. a. What does "NEFT" and "RTGS" stand for? (02 Marks)  
b. Explain the different types of loan given by bankers. (06 Marks)  
c. Write short notes on Debit card, Credit card and Smart card. (08 Marks)
7. a. What do you mean by "Bankers right of lien"? (02 Marks)  
b. What is a "Letter of Credit"? Explain the types of letter of credit. (06 Marks)  
c. Explain the significance, purpose and objectives of Asset Liability Management. (08 Marks)
8. **CASE STUDY (Compulsory) :**

#### Towards a Cashless Economy

RBI along with National Payments Corporation of India launched the Unified Payment Interface (UPI) with the objective of proactively encouraging electronic payment systems for ushering in a cashless society in India.

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The record of cashless transactions in our country is very dismal. At present it stands at 6 transactions/person/year which is partly due to the fact that out of the 10 million plus retailers in India, hardly 1.1 million have card payment acceptance.

Cashless economy is required to make transactions more convenient for the layman rather than carrying bulk cash. Reducing the economy's dependence on cash and shifting to electronic fund transfers would result in betterment of the country.

**Questions :**

- a. What are the different mediums present in the digital transactions?
- b. What are the various threats of online fund transfer?
- c. What are the safety measures one has to take to avoid cyber crimes?
- d. What are the advantages of Electronic fund transfers?

(04 Marks)

(04 Marks)

(04 Marks)

(04 Marks)

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